BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

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| MAIL PROCESSING NETWORK RATIONALIZATION SERVICE CHANGES, 2011 | Docket No. N2012-1 |

### RESPONSES OF THE UNITED STATES POSTAL SERVICE TO QUESTIONS 2, 4 AND 5 OF PRESIDING OFFICER'S INFORMATION REQUEST NO. 9

The United States Postal Service hereby files the responses of its witnesses to

questions contained in Presiding Officer's Information Request No. 9, dated May 31,

2012, as indicated below:

Witness Neri          -- Question 2

Witness Martin        -- Question 4

Witness Bradley       -- Question 5

Responses to questions 1 and 3 are forthcoming.

Respectfully submitted,

UNITED STATES POSTAL SERVICE
By its attorneys:

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June 7, 2012

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS NERI
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 9**

**2.** In response to POIR No. 7, the Postal Service provided Library References USPS-LR-N2012-1/89 and 90, which update Library References USPS-LR-N2012-1/49 and 50. The Postal Service also filed Library Reference USPS-LR-N2012-1/NP25, which contains data disaggregated by operation.

    a. Please identify the selection criteria that determine the facilities to be included in Library Reference USPS-LR-N2012-1/NP25, and describe the reasoning that led to the criteria.

    b. Please identify the selection criteria that determine the facilities to be included in Library Reference USPS-LR-N2012-1/90, and describe the reasoning that led to the criteria.

    c. Library Reference USPS-LR-N2012-1/90 contains an "office" name associated with each finance number. Please provide an office name for each finance number in Library Reference USPS-LR-N2012-1/NP25.

    d. Please discuss the reason(s) why Library Reference USPS-LR-N2012-1/NP25 contains more facilities than Library Reference USPS-LR-N2012-1/90.

    e. Please describe any expected impact the additional facilities may have on the suitability of using Library Reference USPS-LR-N2012-1/NP25 to analyze the relationship between labor needs and scheduling constraints. Please include a discussion of whether a single physical facility can be associated with multiple finance numbers, and how data should be aggregated to account for employees working in facilities with multiple finance numbers.

**RESPONSE:**

a. In Presiding Officer's Information Request No. 7, Q1, the Commission requested "…disaggregated workhours for all operations (including those operations excluded from witness Neri's analysis) at facilities identified in library reference USPS-LR-N2012-1/50…" This criterion guided the generation of the relevant clause used to limit the data extract, identified below.

**RESPONSE to POIR 9, Q2 (continued):**
**where** financenumber **in**
('010781','012490','014250','015602','015631','018252','020313','036365','036370
','038881',043069','043231','043879','044275','044653','045131','050109','050224'
,'050464','052562','052888','054483','054521','054529','054531','055038','055157'
,'055439','055509','055863','056354','056679','056704','056745','056770','056771'
,'056785','056789','056835','056937','056944','057526','058101','058105','071820'
,'072357','072359','072369','072574','073708','073836','083367','084727','087719'
,'096821','105001','105010','113031','113077','113250','114381','114382','114392'
,'114924','115605','115851','115855','115945','116812','116916','116920','117280'
,'117411','118252','118675','118898','118906','118926','119466','120045','120132'
,'120420','120441','120442','120476','121474','121991','122684','123569','125490'
,'125595','127815','127820','129295','130500','142401','150926','157225','159176'
,'160049','160795','161128','161272','161275','161404','161430','161541','161546'
,'161547','162388','162865','163875','166027','166182','166486','166776','166788'
,'167417','171782','172653','172920','173170','174031','174038','174041','174376'
,'174479','175909','178197','178695','181503','182413','182414','183231','188325'
,'189351','194400','194654','198063','198927','199714','200271','200906','204601'
,'204748','204789','205906','210143','210625','214977','216567','217957','220355'
,'226901','230379','230387','232394','232836','233355','237481','237482','238751'
,'239324','240801','240803','240953','244148','244591','247821','247822','248433'
,'249623','252489','252491','252492','253292','253660','253917','253921','254721'
,'254800','254912','255271','258231','258272','259322','260770','262595','266000'
,'266361','266362','267960','268280','268361','273133','273150','273289','273784'
,'275109','278437','281284','281685','284219','287141','287142','287151','287530'
,'290774','291224','293636','293978','294572','295796','303741','305165','306410'
,'306465','306646','314881','314882','317282','324801','325522','326920','333869'
,'334053','335297','335950','335978','335980','336720','337929','338552','340148'
,'344788','347414','350061','350185','350705','350978','350984','350996','351026'
,'355306','355311','355420','355831','356615','356886','357101','357106','358172'
,'358361','358677','359093','359138','360320','361393','361420','362681','363193'
,'363195','363564','364124','366353','366610','370950','373056','373808','376288'
,'380085','380329','381339','381604','381605','381670','381793','382094','384851'
,'387910','388261','389221','395104','396139','398350','400736','402850','405409'
,'406624','406780','406785','406789','407394','410152','411627','412544','413344'
,'413485','414080','414409','414583','415886','416545','416602','416609','416926'
,'417542','417965','418904','419278','428459','428461','437141','451490','451801'
,'452950','453621','462100','467146','467866','471562','474404','474476','474634'
,'475665','475666','476145','476146','480015','480230','480421','480612','481150'
,'482031','482269','482273','482274','482847','483221','484143','484147','485397'
,'485410','485454','485917','487981','489171','489397','497174','497789','497795'
,'501028','509353','511116','512704','515430','516523','516541','517649','517717'
,'542774','546148','546526','547617','547618','547625','547630','547649','548054'
,'548332','549156','549437','550882','551459','551569','555208','556210','558604'
,'562495','563402','564280','564440','564981','565470','565481','566285','568696'
,'571558','571673','577752')

**RESPONSE to POIR 9, Q2 (continued):**

b.  No selection criteria were used to limit the data extract for USPS Library

Reference USPS-LR-N2012-1/90.  This approach aimed to satisfy the request

made in Presiding Officer's Information Request No. 7, Q 1d, which states

"[p]lease provide the analysis performed in library references USPS-LR-N2012-

1/49 and USPS-LR-N2012-1/50, using the time period identified in response to

(b) and the data provided in response to (c) of this question."  Because the

original analysis performed for USPS Library References USPS-LR-N2012-1/49

and 50 do not include facility filtering, no facility filtering was performed in

connection with development of USPS Library Reference USPS-LR-N2012-1/90.

c.  Please see the attachment to this response, titled POIR_9_Q2c.xls.

d.  The data for USPS Library Reference USPS-LR-N2012-1/NP25 were

extracted from the Time and Attendance Collection System (TACS).  These data

represent the workhours charged to an operation based upon the clock rings

made by the employee or supervisor.  The data for USPS Library Reference

USPS-LR-N2012-1/90 were extracted from the Web End of Run system

(WebEOR).  These data represent the mail volumes processed on the

equipment.  The appearance of additional facilities in the TACS data stems from

the use of employees across finance numbers.  This causes data from additional

offices to appear for the queried office.

e.  The data contained in USPS Library Reference USPS-LR-N2012-1/NP25 are

not appropriate for use in analyzing the relationship between labor needs and

**RESPONSE to POIR 9, Q2 (continued):**

scheduling constraints. These data are extracted from employee clock rings and represent the time charged to a given office or operation. The data do not reflect an accurate description of the processing requirements for mail volumes. Labor needs arise from required distribution, volume, and arrival patterns. Scheduling constraints arise from a variety of factors including contractual provisions, employee types, and schedule types.

It is possible for a physical facility or building to have more than one finance number assignment, but not for the same operation or employee set. As an example, a processing facility that houses carrier operations may have two finance numbers - one for the mail processing operations and employees and another for the delivery operations and carriers. One way to aggregate data in these situations is through use of the finance and operation numbers assigned to a particular operation.

**RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS MARTIN TO QUESTION 4 OF PRESIDING OFFICER'S INFORMATION REQUEST NO. 9**

4.　　During the May 9, 2012 hearing, witness Martin was asked about the AMP study concerning the consolidation of the Corpus Christi P&DC into the San Antonio P&DC. The witness confirmed that the 8 highway contract routes listed on page 40 of this AMP study are only a subset of the highway contract routes that are currently serving the gaining and losing facilities. Tr. 8/2585. Witness Martin also stated that:

> (w)hat's listed in the AMP study at least for the most part are those routes that are impacted. Either there's changes in the mileage, increase or decrease, instead of summarizing all of the routes that are just not impacted because the spreadsheets could get pretty full. *Id.* at 8/2586.

Please confirm whether all AMP studies announced by the Postal Service on February 23, 2012 list only those highway routes that are affected by the network consolidation, which would imply that routes with no change to their operating miles are not included in the list despite currently serving the plants in the AMP studies. If not, please identify the AMPs for which only the affected routes are included.

**RESPONSE:**

Not confirmed. The attached spreadsheet labeled "Attach.Resp.POIR9.Q4"

contains a list of each AMP study that was announced on February 23, 2012 and

that includes only the routes affected by the AMP.

RESPONSE OF UNITED STATES POSTAL SERVICE WITNESS BRADLEY
TO PRESIDING OFFICER'S INFORMATION REQUEST NO. 9

**5.** Please refer to Library Reference USPS-LR-N2012-1/93. The percent reduction in plant-to-post office operating miles is multiplied by the total Intra-P&DC cost, including the highway contract route (HCR) cost of deactivated Postal Vehicle Service (PVS) sites, but excluding the plant-to-post office cost of PVS sites that will not be closed or replaced by HCR service. This product is multiplied by the Intra-P&D cost elasticity to obtain plant-to-post office transportation cost savings.

     a. Please explain the rationale for excluding the PVS sites that will not be closed from the calculation of the baseline cost.

     b. Please discuss how any change in costs for those PVS sites that will remain open in the rationalized mail processing environment is accounted for in the cost estimates.

**RESPONSE:**

a. Although the Postal Service believes that there will be an opportunity to reduce the amount of transportation needed at the PVS sites that will remain open, it does not have a cost-effective way of accurately measuring how much that reduction will be. Thus, it chose to not include any value for this potential cost savings in its overall estimate of savings.

b. Any cost savings that will occur at the PVS sites remaining open are not included in the cost savings estimate. This means that the cost savings estimate is slightly understated.